

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**TEEVEE TOONS, INC.  
d/b/a TVT RECORDS,**

**Debtor.**

**Case No. 08-10562 (ALG)**

**Chapter 7 (Converted)**

**NOTICE OF PRESENTMENT OF STIPULATION**

PLEASE TAKE NOTICE THAT, upon the annexed stipulation (“Stipulation”) between Bernard National Loan Investors Ltd., as agent for certain lenders (the “Lenders”), Ian J. Gazes as Chapter 7 trustee (“Trustee”) of the Estate of TeeVee Toons, Inc., d/b/a TVT Records, the above-captioned debtor (“Debtor”) and The Orchard Enterprises, Inc. regarding release of funds from the Escrowed Sale Proceeds,<sup>1</sup> the undersigned seeks approval of the attached Stipulation by the Honorable Allan L. Gropper, United States Bankruptcy Judge for the Southern District of New York.

PLEASE TAKE FURTHER NOTICE that responses or objections to the Stipulation, if any, shall (a) be in writing, (b) conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules, (c) set forth with specificity the legal and factual grounds for the objection, (d) identify the objectant and the amount or extent of the objectant’s claim or interest against the Debtor, (e) be filed with the Court (in accordance with General Order M-182) not later than **10:00 a.m. on September 16, 2010** (the “Objection Deadline”), with copy to chambers, and (f) be served upon (i) counsel for the Lenders, Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, New York 10004, Attn: Shannon

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<sup>1</sup> Capitalized but undefined terms used herein shall have the meaning ascribed to them in the Stipulation.

Lowry Nagle, Esq., (ii) counsel for the Trustee, Gazes LLC, 32 Avenue of the Americas, 27<sup>th</sup> Floor, New York, New York 10013, Attn: Ian J. Gazes, Esq., and (iii) counsel for The Orchard, Reed Smith LLP, 599 Lexington Avenue, New York, New York 10022, Attn: Michael J. Venditto, Esq.

PLEASE TAKE FURTHER NOTICE that unless a written objection to the Stipulation, with proof of service, is filed with the Clerk of the Court and a courtesy copy is delivered to the Bankruptcy Judge's chambers before the Objection Deadline, there may not be a hearing and the Stipulation may be approved.

Dated: September 2, 2010  
New York, New York

Respectfully submitted,

/s/ Shannon Lowry Nagle, Esq.  
Shannon Lowry Nagle, Esq.  
FRIED, FRANK, HARRIS, SHRIVER &  
JACOBSON LLP  
One New York Plaza  
New York, New York 10004  
(212) 859-8850

Attorney for the Agent

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**TEEVEE TOONS, INC.  
d/b/a TVT RECORDS,**

**Debtor.**

**Case No. 08-10562 (ALG)**

**Chapter 7 (Converted)**

**STIPULATION**

*WHEREAS*, on February 19, 2008 (the “Petition Date”), TeeVee Toons, Inc., d/b/a TVT Records, the above-captioned debtor (the “Debtor”), filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”);

*WHEREAS*, Bernard National Loan Investors Ltd. as agent for certain lenders (the “Lenders”) provided postpetition financing to the Debtor pursuant to the terms of the Final Order under 11 U.S.C. §§ 105, 361, 362, 363, 364, and Fed. R. Bankr. P. 4001 Authorizing Debtor to Obtain Post-Petition Financing, entered on April 30, 2008 (the “Final DIP Financing Order”);

*WHEREAS*, on June 26, 2008, the Court approved the purchase by The Orchard Enterprises, Inc. (“The Orchard”) of certain of the Debtor’s assets (the “Orchard Sale”) pursuant to the Order Pursuant to 11 U.S.C. §§ 105, 363, 365, and Fed. R. Bankr. P. 2002, 6004, 6006 and 9014: (i) Approving Sale of Substantially All of the Debtor’s Assets Free and Clear of All Claims, Liens and Encumbrances; and (ii) Authorizing Assumption and Assignment of Certain Executory Contracts in Connection With Sale (the “Orchard Sale Order”);

*WHEREAS*, a portion of the consideration of the Orchard Sale in the amount of \$500,000 was placed in escrow (“Escrowed Sale Proceeds”) with Debtor’s chapter 11 counsel, Stevens & Lee, P.C. (“S&L”) until certain purchase price adjustments, if any, were determined;

*WHEREAS*, on October 20, 2008, the Court entered the Order Converting Debtor's Chapter 11 Case Pursuant to Sections 105 and 1112(b) of the Bankruptcy Code to Chapter 7 Proceedings (the "Chapter 7 Case");

*WHEREAS*, on October 21, 2008, the United States Trustee appointed Ian J. Gazes as the interim Chapter 7 Trustee and he now serves as the permanent Chapter 7 Trustee pursuant to Bankruptcy Code § 702(d);

*WHEREAS*, on November 14, 2008, the Court entered a stipulated order by and between S&L and the Trustee for the turn over to the Trustee of the Escrowed Sale Proceeds subject to, among other things, the provisions of the Final DIP Financing Order and the Orchard Sale Order;

*WHEREAS*, on June 8, 2009, the Court entered a stipulated settlement by and between the Trustee, the Lenders, D.B. Zwirn Special Opportunities Fund L.P., D.B. Zwirn & Co., L.P. (together with the Lenders and D.B. Zwirn Special Opportunities Fund L.P., the "DBZ Defendants"), Steven Gottlieb ("Gottlieb"), TVT Music Enterprises, LLC ("TVT Enterprises") and TVT Funding LLC (collectively, the "Parties") dismissing the adversary proceeding initiated by the Official Committee of Unsecured Creditors of the Debtor against the DBZ Defendants, Gottlieb and TVT Enterprises, resolving all pending motions related thereto, directing settlement payment by the DBZ Defendants and Gottlieb, establishing certain releases among the Parties and discharging Illinois National Insurance Company; and

*WHEREAS*, on August 9, 2010, The Orchard and Lenders executed the attached letter (the "Escrow Letter") requesting that the Trustee direct the escrow agent to disburse all escrow funds to the Lenders;

*NOW, THEREFORE, IT IS HEREBY STIPULATED BY THE UNDERSIGNED*

that:

1. Pursuant to the Escrow Letter, the Lenders and The Orchard jointly instruct the escrow agent to release all escrow funds to the Lenders.
2. The Trustee is authorized to release the escrow funds to the Lenders.
3. The Orchard waives any and all claims to the escrow funds and to assert a purchase price adjustment.
4. The Bankruptcy Court shall have exclusive jurisdiction to adjudicate matters arising under or in connection with this Stipulation.
5. This Stipulation may be executed in counterpart copies, and taken together, such counterparts shall constitute one agreement.

Dated: September 2, 2010  
New York, New York

By: /s/ Shannon Lowry Nagle, Esq.

Shannon Lowry Nagle, Esq.  
FRIED, FRANK, HARRIS,  
SHRIVER & JACOBSON LLP  
One New York Plaza  
New York, New York 10004  
(212) 859-8850

Attorney for the Agent

and

By: /s/ Michael J. Venditto, Esq.

Michael J. Venditto, Esq.  
REED SMITH LLP  
599 Lexington Avenue  
New York, New York 10022  
(212) 205-6081

Attorney for The Orchard

and

By: /s/ Ian J. Gazes, Esq.

Ian J. Gazes, Esq.  
GAZES LLC  
32 Avenue of the Americas, 27<sup>th</sup>  
Floor  
New York, New York 10013  
(212) 765-9000

Attorney for the Trustee

**SO ORDERED:**

Dated: September \_\_, 2010  
New York, New York

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**Honorable Allan L. Gropper**  
**United States Bankruptcy Judge**